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Agricultural Situation

EU Promotion Programs for Agricultural Products

2009

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Report Highlights:

This report gives an overview of the EU's promotion of agricultural products policy. In 2008, the EU approved 11 promotion programs targeted at Russia, Ukraine, China, Japan and North America. The total budget of the programs running between one and three years is EUR 35.6 million of which the EU will contribute half.

Includes PSD Changes: No
Includes Trade Matrix: No
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Promotion of EU Agricultural Products

Legislation

The [CAP Simplification Action Plan](#) (October 2006) included a proposal to simplify the legal framework for the promotion of agricultural products. In order to facilitate the management of promotion programs for Member States and trade organizations, the Action Plan proposed to merge two legal frameworks, i.e. one for the promotion of agricultural products on the internal market (Council Regulation 2702/1999) and one for the promotion of agricultural products on third country markets (Council Regulation 2826/2000), into one single framework.

[Council Regulation 3/2008](#), published in January 2008, merges the two pieces of legislation into one regulation without changing the specific rules that applied under the existing schemes. Commission [Regulation 501/2008](#) lays down detailed rules for the application of Council Regulation 3/2008.

Promotion Policy

Promotion Measures

Promotion measures can consist of public relations work, information campaigns on the EU system of protected designations of origin (PDO), protected geographical indication (PGI) and traditional specialty guaranteed (TSG), information campaigns on organic farming and other EU quality and labeling schemes, information measures for quality wines produced in specific regions and impact assessments of promotion campaigns. Promotion messages should highlight the intrinsic qualities and characteristics of EU agricultural products, especially in terms of quality and food safety, specific production methods, nutritional and health aspects, labeling, animal welfare and environment-friendliness. Any reference to the origin of products must be secondary to the central message of a campaign, except in the case of quality schemes such as GI's.

Financing

The EU will finance up to 50% of the cost of promotion programs for agricultural products. Proposing organizations must fund at least 20% of the actual costs of the programs with the remaining funding coming from the Member States concerned. For measures promoting the consumption of fruit and vegetables in schools, the EU will fund up to 60% of the costs. The payments made by Member States or proposing organizations may come from levies or mandatory contributions.

Annex III of implementing regulation 501/2008 sets indicative annual budgets for the various sectors:

- fresh fruit and vegetables: EUR 10 million
- processed fruit and vegetables: EUR 2 million
- fiber flax: EUR 1 million
- lives plants and products of ornamental horticulture: EUR 3 million
- olive oils and table olives: EUR 7 million (of which a minimum of EUR 3 million for third countries)
- seed oils: EUR 2 million
- milk and milk products: EUR 4 million
- fresh/chilled/frozen meat: EUR 4 million
- marking of eggs: EUR 2 million

- honey and beekeeping products: EUR 1 million
- quality wines: EUR 3 million
- PDO, PGI, TSG: EUR 3 million
- information on the graphic symbol for the outermost regions: EUR 1 million
- organic farming products: EUR 3 million
- poultry meat: not specified

Overview of EU Budget appropriations to fund promotional measure (2005-2009):

EUR	2009	2008	2007	2006	2005
Appropriations	50 119 000	50 371 000	45 295 000	52 000 000	48 500 000
Actual Expenditure		not yet available	50 596 638	38 897 869	30 230 113
Source: EU Financial Reports (DG Budget)					

Internal EU Market Programs

On the internal market, promotion measures may also take the form of participation in events, fairs and exhibitions of national or European importance. The following themes and products may be covered: fresh and processed fruit and vegetables, fiber flax, live plants and products of ornamental horticulture, olive oil and table olives, seed oils, milk and milk products, fresh/chilled/frozen meat, marking of eggs for human consumption, honey and beekeeping products, quality wines, graphic symbol for the outermost regions, PDO/PGI/TSG, organic farming and products, poultry meat.

In 2008, the European Commission approved 31 programs in 16 Member States (Belgium, Denmark, Germany, Estonia, France, Greece, Italy, Luxembourg, the Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Sweden, the United Kingdom). The total budget of the programs running between one and three years is EUR 92.4 million of which the EU will contribute half.

The list with selected programs for 2008 can be downloaded at <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1206&format=HTML&aged=0&language=EN&guiLanguage=en>. A chronological overview of approved programs is available at http://ec.europa.eu/agriculture/prom/intern/index_en.htm

EU School Fruit Scheme

[Council Regulation 13/2009](#) sets up an EU-wide School Fruit Scheme. In order to address the low consumption of fruit and vegetables amongst children, the EU will co-finance the supply of "healthy products" of the fruit and vegetables, processed fruit and vegetables and bananas sectors to children in educational establishments. The Commission will draw up a list of products or ingredients that should be excluded from the School Fruit Scheme, e.g. products containing a high percentage of fat or added sugar. Member States wishing to participate must draw up lists of eligible products under their scheme. The EU will contribute EUR 90 million every year to the scheme. EU financial aid will be allocated to the participating Member States based on their proportion of children in the core target group of six- to ten-years olds. Although EU aid may not exceed 50% of the costs of supply and related costs or 75% in rural development areas, each Member State participating in the scheme will receive at least EUR 175 000. EU money will be matched by national and private funds. The scheme will begin at the start of the 2009/2010 school year. The Commission still needs to establish detailed rules for the application of the School Fruit Scheme, including rules concerning the allocation of aid between the Member States, financial and budgetary

management, national strategies, related costs, accompanying measures and information, monitoring and evaluation and networking measures.

Third Country Market Programs

In third countries, the promotion measures may also take the following form: information measures on the EU system for table wines, participation in events, fairs and exhibitions of international importance, studies of new markets and high-level trade visits. The following products may be covered by promotional measures: fresh/chilled/frozen beef, veal and pig meat and food preparations based on these products, quality poultry meat, milk products, olive oil and table olives, table wines with a GI, quality wines, spirit drinks with a GI or reserved traditional indication, fresh and processed fruit and vegetables, products processed from cereals and rice, fiber flax, live plants and ornamental horticulture products, PDO/PGI/TSG, organic farming products. Promotional measures may be carried out in the following third countries: South Africa, Former Yugoslav Republic of Macedonia, Australia, Bosnia & Herzegovina, China, South Korea, Croatia, India, Japan, Kosovo, Montenegro, Norway, New Zealand, Russia, Serbia, Switzerland, Turkey, Ukraine and in the following geographical areas: North Africa, North America, Latin America, South-east Asia and the Middle East.

In 2008, the European Commission approved 11 promotion programs from Germany, Greece, France, Italy, Cyprus, Bulgaria, Spain and Ireland. The programs are targeted at Russia, Ukraine, China, Japan and North America. The products covered by the approved programs are: wine, fruit and vegetables, meat, dairy products and PDO and organic products. The total budget of the programs running between one and three years is EUR 35.6 million of which the EU will contribute half.

List of approved 2008 third country promotion programs:

Member State	Proposing Organization	Products	Duration	Total Budget (EUR)	EU Co-Financing (EUR)
Cyprus Bulgaria	PDA BADP	Milk Products	3 years	4 988 000	2 494 000
France Spain	RHONE/CIVA FEDEJEREZ	Wine	3 years	900 000	450 000
France Italy	INTERFEL ASSOMELA	Fruit & Vegetables	3 years	3 168 189	1 584 094
Germany	CMA	Milk Products	3 years	4 500 000	2 250 000
Germany	CMA	PDO products + organic products	3 years	1 053 900	526 950
Greece	CHEESENET	Milk Products	3 years	5 295 000	2 647 500
Greece	KASO OPOM	Fruit & Vegetables	3 years	4 700 000	2 350 000
Greece	SEKO DRAMAS	Fruit & Vegetables	3 years	2 860 000	1 430 000
Ireland	BORD BIA	Meats	3 years	469 250	234 625
Italy	CONS. GRANA PADANO/SAN DANIELE	Meats + PDO Products	3 years	3 941 208	1 970 604
Italy	MULTI UIS E ALTRI	Cereal-based products + wines + milk products + olive oil	3 years	3 758 655	1 879 327
TOTAL				35 634 202	17 817 100

The detailed list with selected programs for 2008 can be downloaded <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1960&format=HTML&aged=0&language=EN&guiLanguage=en>. A chronological overview of approved programs is available at http://ec.europa.eu/agriculture/prom/extern/index_en.htm

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